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CONFIDENTIAL ROME 005689

SIPDIS

E.O. 12958: DECL: 12/09/2013 TAGS: <u>PINR EAID IT SU KPRP</u>

SUBJECT: ITALY TO INCREASE SUDAN DEVELOPMENT ASSISTANCE

(C-AL3-01178)

REF: SECSTATE 332595

CLASSIFIED BY: ECONOMIC COUNSELOR KATHLEEN REDDY, REASONS 1.5 B AND D.

11. (U) IN SEPARATE MEETINGS WITH PAOLA IMPERIALE, MFA OFFICE DIRECTOR FOR EAST AFRICA, AND GIOVANNI BATICCI, MFA AFRICA DEVELOPMENT ASSISTANCE EXPERT, EMBOFFS RECEIVED DETAILED INFORMATION ON ITALY'S PLANNED 63 PERCENT EXPANSION OF ASSISTANCE TO SUDAN IN 2004. PLEASE NOTE THAT THE FOLLOWING INFORMATION IS KEYED TO THE QUESTIONS LISTED REFTEL.

## ¶2. (C) PARAGRAPH 1. A:

- -- IN 2003, ITALY GRANTED EURO 8 MILLION TO SUDAN, BUT WILL INCREASE THE AMOUNT TO EURO 13 MILLION IN 2004.
- -- ITALY EXTENDS NO LOANS TO SUDAN. ITALY GIVES ONLY HUMANITARIAN ASSISTANCE TO SUDAN. FORTY PERCENT OF WHICH IS BILATERAL, WITH THE REMAINDER CHANNELED THROUGH UNICEF, THE WHO, ETC. ITALY WILL NOT EXTEND LOANS TO SUDAN BEFORE 2005. -- ITALY WILL PARTICIPATE IN PEACEKEEPING OPERATIONS. THE MFA HAS REQUESTED PERSONNEL FROM THE ITALIAN JOINT STAFF, BUT HAS YET TO RECEIVE A RESPONSE. AS PEACEKEEPING MAY FALL UNDER UN JURISDICTION, ITALY'S CONTRIBUTION COULD BE DETERMINED BY QUOTA.
- -- IN 2004, ITALY WILL INCREASE ITS AID TO SUDAN BY 63 PERCENT. WHILE FUNDING TO IRAQ AND AFGHANISTAN ARE AT HIGHER LEVELS (EURO 60-70 MILLION ANNUALLY, ON AVERAGE), SUDAN NONETHELESS IS A TOP PRIORITY FOR ITALY.
- -- ITALY IS INVOLVED WITH FOOD DISTRIBUTION, WATER, SANITATION, AND CAPACITY BUILDING PROGRAMS IN THESE SECTORS IN BOTH THE NORTH AND SOUTH OF THE COUNTRY.
- -- ASSISTANCE TO THE NORTH IS CONCENTRATED IN DARFUR AND CASALA; TO THE SOUTH, IN NUBA AND WEST BARAGAZAL.
- -- ITALY IS PROVIDING HUMANITARIAN ASSISTANCE MOSTLY THROUGH ITALIAN AND INTERNATIONAL NGOS.
- -- ITALY'S INTEREST IN SUDAN IS STRICTLY HUMANITARIAN.
- -- IN THE GOI VIEW, IT IS NECESSARY TO IMPROVE ACCESS TO FOOD AND WATER TO RESOLVE THE IMMEDIATE HUMANITARIAN CRISIS. OVER THE LONGER-TERM, ITALY IS FOCUSED ON CAPACITY BUILDING IN PRIMARY ECONOMIC SECTORS.
- -- ITALY SEES THE NEED FOR ASSISTANCE IN SUDAN AS "VERY LARGE, THE WORST SITUATION WE'VE SEEN IN TWENTY YEARS."
- 13. (C) PARAGRAPH 1. B:
- -- ITALY SUPPORTS REESTABLISHING LOME COOPERATION, TO ENABLE SUDAN TO TAP INTO THE EU INVESTMENT BANK INFRASTRUCTURE FUNDS AS WELL AS A SIZABLE DEVELOPMENT FUNDING.
- -- THE EU PROVIDES ONLY HUMANITARIAN ASSISTANCE TO SUDAN AND NOT DEVELOPMENT ASSISTANCE. EU DEVELOPMENT ASSISTANCE IS CONTINGENT UPON SUDAN'S SIGNING THE PEACE AGREEMENT, WHICH THE GOI HOPES COULD HAPPEN AS EARLY AS MARCH, 2004. IF SO, EURO 434 MILLION WOULD BE AVAILABLE FOR SUDANESE PEACE/CAPACITY BUILDING AND FOR FOOD SECURITY PROJECTS. DISPERSAL OF FUNDS WOULD BE LINKED TO IMPLEMENTATION OF THE AGREEMENT AND ONGOING PROTECTION OF HUMAN RIGHTS. SEMBLER

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